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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

In re:

METRO FUEL OIL CORP., *et al.*,

Debtors.

Steven J. Reisman
Michael A. Cohen
Cindi M. Giglio
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Chapter 11

Case Nos. 12-46913 (ESS)
12-46914 (ESS)
12-46915 (ESS)
12-46916 (ESS)
12-46917 (ESS)
12-46918 (ESS)
12-46919 (ESS)
12-46920 (ESS)
12-46921 (ESS)
12-46922 (ESS)

Jointly Administered

NOTICE OF SELECTION OF SUCCESSFUL BIDDER

PLEASE TAKE NOTICE that pursuant to the *Order (A) Approving Bidding and Auction Procedures for the Receipt, Analysis and Improvement of the Bids for the Sale of All or any Portion of the Debtors' Assets Free and Clear of All Interests, (B) Authorizing Debtors to Offer Certain Bid Protections, (C) Scheduling the Auction and Sale Hearing and Approving the Form and Manner of Notice Thereof and (D) Approving Procedures for Determining Cure Amounts* [Docket No. 136] (the “**Bidding Procedures Order**”), the above-captioned debtors and

debtors in possession (the “*Debtors*”) conducted an Auction¹ for their assets on February 4 and 5, 2013.

PLEASE TAKE FURTHER NOTICE that following multiple rounds of bidding over both days of the Auction, the Debtors, in consultation with the Notice Parties and upon closing of the Auction, selected United Refining Energy Corp. (together with any of its assignees, “*United Refining*”) as the Successful Bidder for the Debtors’ operating assets, excluding accounts receivable, with a bid of \$27 million in cash, plus assumption of any cure costs in connection with assumed contracts and leases and a commitment to hire at least 75% of the Debtors’ employees.

PLEASE TAKE FURTHER NOTICE that the Debtors are finalizing the asset purchase agreement with United Refining (the “*APA*”) and the proposed order approving the sale to United Refining (the “*Sale Order*”) and will file such documents with the Court prior to the Sale Hearing (defined below).

PLEASE TAKE FURTHER NOTICE that if the proposed sale to United Refining does not close, the Back-Up Bidders for certain of the Debtors’ assets are as follows:

- Castle Oil Corporation, with a bid of \$20 million in cash, plus a commitment to hire at least six of the Debtors’ employees, for the Debtors’ terminal assets;
- United Refining, with a bid of \$2.9 million in cash for the Debtors’ Calverton facility;
- Affiliates of Hackman Capital, with bids of (i) \$1.1 million in cash for certain personal property related to the Debtors’ biodiesel facility and (ii) \$500,000 in cash for certain vehicle assets; and
- New York Commercial Bank, with a credit bid of \$750,000 for the Kings Land Realty, Inc. real estate assets.

¹ All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Bidding Procedures Order.

PLEASE TAKE FURTHER NOTICE that the Debtors did not select a Successful Bidder for the Debtors' accounts receivable and will continue to market those assets or collect them in the ordinary course of business. In addition, the Debtors did not designate a Back-Up Bidder for the Metro Fuel business, which is included in the assets proposed to be sold to United Refining.

PLEASE TAKE FURTHER NOTICE that a hearing will be held before the Honorable Elizabeth S. Stong of the United States Bankruptcy Court for the Eastern District of New York, 271 Cadman Plaza East, Courtroom 3585, Brooklyn, New York 11201, on **February 13, 2013, at 9:00 a.m. (Eastern Time)**, at which the Debtors will seek entry of the Sale Order approving the Debtors' entry into the APA and authorizing the sale of the Debtors' assets described in the APA to United Refining (the "***Sale Hearing***").

PLEASE TAKE FURTHER NOTICE that the Sale Hearing may be adjourned from time to time in accordance with the Bidding Procedures Order without further notice other than by announcement of such adjournment at the Hearing.

Brooklyn, New York
Dated: February 6, 2013

/s/ Nicole L. Greenblatt

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